

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 614 - SB 1064

March 3, 2015

SUMMARY OF BILL: Requires the Department of General Services (DGS) to encourage all departments of state government to replace existing trash receptacles with recycle bins.

ESTIMATED FISCAL IMPACT:

Increased State Expenditure - \$387,300/One-time

Assumptions:

- Since this bill requires action on the part of the Department of General Services (DGS) to initiate and pursue an operational change across state government, it is presumed that such change will be implemented.
- Currently, the State uses a traditional recycling model that is managed by the Department of Environment and Conservation (TDEC). The only recycling containers are the wheeled ones located in the building cores. The existing recycle bins that are owned by TDEC will be moved and used in non-Facilities Revolving Fund (FRF) locations at which time each of the 633 floors would need a \$200 wheeled recycle container at a one-time cost of \$126,600 (\$200 x 633 floors).
- According to DGS, the on-going recycling efforts within the agency do not equate to the scope of recycling services required by the proposed legislation.
- According to DGS, there are 5,000 employees currently located in Transforming Tennessee for Tomorrow (T3) space and another 22,857 employees in non-T3 space.
- The 5,000 employees located in T3 space will need a desk side plastic/aluminum divider for the trash cans so that plastic and aluminum can be separated by the employee. It is more cost effective than paying recycle centers to sort the recycle waste. The divider costs \$1 per person resulting in a one-time cost of \$5,000.
- The trash dividers are designed to fit the trash can and any desk that doesn't have the standard plastic trash can will need a new one. The other 22,857 employees located in non-T3 space would need the trash can and divider at a cost of \$7 per person resulting in a one-time cost of \$159,999.
- Employees will be required to take all other trash to the trash can located in the break rooms. According to DGS, the trash cans in the break rooms will typically not be large enough because with desk side recycling, all non-recyclable trash will be placed in the break rooms. There are a total of 348 break rooms that will need a 60-gallon trash can. According to DGS, there will be approximately 29 break room trash cans purchased for

the pilot. The remaining 319 (348 break rooms – 29 pilot) break rooms would need a \$300 trash can at a one-time cost of \$95,700 (\$300 x 319 break rooms).

- Total one-time expenditures are estimated to be at least \$387,299 (\$126,600 + \$5,000 + \$159,999 + \$95,700).
- Desk side recycling may save money on trash cost because desk side containers will be emptied once a week with the break room trash cans being emptied daily. Currently desk side trash cans are emptied three times a week. Dumpsters will be emptied less frequently as more waste is recycled.
- DGS had a no cost contract with EarthSavers for recycling and is working with Jones Lang Lasalle (JLL) on a solicitation for another no cost contract that hopefully will include rebates for the State. It is unknown if the State will receive rebates on recycling in the future or the amount of such rebates.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

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